

# INTERNATIONAL ANTI-CORRUPTION CONFERENCE 2024

Vilnius, Lithuania 18-21 June 2024

## SESSION REPORT

*Please know you may design the structure of this report to better suit the session. It's important to capture the key outcomes and solutions proposed for the future.*

**Session Title:** Transnational Corruption: Shedding Light on the Networks that Enable Environmental Crimes

**Date:** 19 June 2024

**Time:** 03:30 PM - 05:00 PM (GMT +3)

### Report prepared by:

Luke Foddy  
Communications Manager  
Nature Crime Alliance

### Moderated by:

Lynn Schlingemann  
Senior Associate, Financial Crime and Corruption  
Nature Crime Alliance

### Panellists:

- Lisa Hartevelt  
Director of External Relations and Communications  
Wildlife Justice Commission (WJC)
- Tim Steele  
Chief of the Field Support Section, Corruption and Economic Crime Branch  
UNODC
- Ian Gary  
Executive Director  
FACT Coalition
- Kristina Amerhauser  
Senior Analyst, ECO-SOLVE  
Global Initiative Against Transnational Organised Crime

## **Share the thematic focus of the session, its purpose and corruption risks?**

Workshop thematic focus: Greed and Corruption: A disease accelerating the global environmental catastrophe.

This workshop explored the nexus between transnational corruption, environmental crimes, and other forms of serious organised crime. Its objectives were to:

1. Raise awareness of the convergence between environmental crime, corruption, and other forms of serious organised crimes.
2. Enhance understanding of the opportunities crime convergence can present for policy makers and law enforcement.
3. Highlight the different roles that civil society, public institutions, and the private sector can play in preventing and combatting these crimes.
4. Advance priority policy recommendations to address the corruption that underpins the dynamics between organised crime networks having an impact on the environment.

The target audience at IACC were government experts, policymakers, enforcement practitioners, the private sector, international organisations, academia, and other associated stakeholders.

## **Summary of panellists' contributions & discussion points (please be as detailed as possible)**

### **Round 1: Setting the scene**

**Lynn Schlingemann, Moderator:** The Nature Crime Alliance recognises the crime convergence between environmental crimes, and other forms of serious organised crime and the need to develop a more comprehensive approach for effectively tackling these crimes.

The Alliance was launched in August 2023 as a global multi-sector network that raises political will, mobilises financial commitment and bolsters operational capacity to fight nature crime. The Alliance is hosted by the World Resources Institute with participation from UNODC, and brings stakeholders that often don't collaborate as much as they could together to participate in working groups. Breaking the siloes on a national and international level between government authorities, law enforcement, civil society, Indigenous Peoples, journalists, and the private sector are all goals of the Alliance which is funded by Norway and the US.

Financial crimes linked to environmental crimes are complex and FIUs and financial institutions don't always know how identify financial crimes linked to environmental crimes. They have also not been prioritized as concluded by Financial Action Task Force (2021) and responses to date by governments and the private sector to investigate and prosecute these crimes have been disproportionate to the scale of the issue.

The fact that these commodities also involve mixing legal with illegal can make it a challenge for financial investigators (unlike with drug trafficking). Under the financial crime umbrella the Alliance therefore brings together FIUs, the private sector and civil society to strengthen responses on financial crimes linked to environmental crime.

Today's event is split into three thematic sessions, starting with setting the scene, followed by best practices, and ending with policy recommendations.

**Question to Lisa Hartevelt:** Can you elaborate on the key ways through which transnational corruption facilitates environmental crimes across the supply chain?

**Lisa:** Corruption is the main driver of environmental crime. Without corruption, there would be no environmental crime.

Corruption manifests itself at different levels in different environmental crimes, and at different levels in the transnational supply chain; for poaching and supply, distribution and trade, and in the criminal justice chain. Lisa provided examples of corruption enabling wildlife trafficking based on the Wildlife Justice Commission's Corruption report (link [here](#)). Often corruption takes the form of corrupt officials and authorities. In the wildlife context, this can manifest as park rangers or scouts providing tip offs to poachers. In the smuggling context we see corruption in ports, such as corrupt customs officers, and the bribery of law enforcement and government officials who provide fraudulent documentation.

Example in Vietnam: WJC involved in investigations where criminal network in a town paid a monthly fee to law enforcement to be left alone to sell illegal rhino horn and ivory.

**Question to Tim Steele:** How does the convergence of environmental crimes with other forms of serious organised crimes manifest?

**Tim:** Corruption sometimes takes place in protected areas. Example of game lodges along the Zambezi: Some charged a lot of money and were always full, yet the owners weren't particularly rich. Others charged less and were often empty, yet the owners were noticeably wealthy. Clearly, there was some form of money laundering taking place. The challenge is not every investigator will identify this – for example an environmental crime investigator might not recognize the signs of money laundering.

There are a wide range of business models adopted, and often the traffickers don't care what the commodities are. Example of smuggling through a port where the perpetrator's brother was the governor of the port. In South America, a lot of environmental crime converges with drug smuggling. But the big issue is who is moving the product. Just like any transportation service, those who have established illicit trafficking routes will be used by all forms of criminals, whether its wildlife products or narcotics. The trafficking networks are the key.

In some regions, environmental crimes converge with terrorism activities as well as organized crime such as drugs trafficking. Example from Mozambique: Insurgency there is driven by wildlife crime, the proceeds of which funded terrorist activities. These crimes and the corruption involved can create instability and are a security challenge.

**Question for Ian Gary:** What is the role of destination jurisdictions in hosting proceeds of environmental crimes?

**Ian:** FACT Coalition report, Dirty Money, showed how corruption is enabling illicit financial flows from the Amazon to enter US financial system. The US is one of the key markets for money-laundering, more so than other financial centres such as Switzerland. Many people still surprised about this.

Not enough countries in Europe and North America have noted the money laundering risks associated with environmental crimes. A key problem is weak rules, which are easily exploited, often with a third country involvement.

Example: a Chilean student Harold Vilches smuggled an estimated \$80m worth of gold, much of it illegally sourced from Peru and Bolivia, into the US via Chile, using a series of shell companies based in Miami and Chile. Took advantage of weak rules - unlike cash, which has \$10,000 limit, gold can be moved into the US without questions. Allegation of corruption in aspects of the smuggling, including US and Chilean officials and private sector companies.

The Vilches case is emblematic because it involves the use of third countries in environmental crimes, both to export illegally sourced goods and to launder money. Specifically, we see the role of Chile and the United States. We also see the use of anonymous companies and third parties - helping to ensure that Vilches' name hardly appeared on anything. Finally, we see allegations of government corruption surrounding some of the trafficking.

**Moderator, Lynn Schlingemann:** Noted that the financial sector partners she works with have identified the challenges in detecting these financial crimes, due to their complexity, as a big problem.

**Question for Kristina Amerhauser:** How can data-driven innovative tools inform law enforcement and policy makers of the nexus between environmental crimes, corruption, and other serious crime?

**Kristina:** Lack of data is a key problem. Law enforcement officials have told us that one of the key reasons they struggle is lack of data.

This is one of the reasons we established ECO-SOLVE. It's a three year programme which provides data for disrupting organized crime and corruption. This includes global monitoring of illegal wildlife trade and data on timber.

We're starting to see more attention being given to corruption and environmental crime, from low-level bribery to elite protection. We focus on elite protection as elites often see the environment as an easy point of entry for personal enrichment.

There are three ways to inform policymakers and law enforcement:

- 1) Investigations that expose elite protection enabling environmental crime may trigger greater scrutiny, including the use of sanctions and travel restrictions.
- 2) Working with journalists and CSOs will help build their skills to analyse corruption, which in turn will create more information for policymakers to inform their decisions and help prioritize the issue
- 3) Typology reports – by providing analysis on the structural drivers of environmental crime and corruption improved responses can be developed.

## Round 2: Best practices, law enforcement opportunities

**Question for Lisa Hartevelt:** How can the response to transnational corruption risks be strengthened? In particular, which opportunities does crime convergence provide for law enforcement and policy makers?

**Lisa:** We're seeing increased involvement of organized crime groups and cases where wildlife crime is committed in conjunction with other forms of serious and organized crime, including corruption, money laundering, and drug trafficking. Law enforcement can leverage opportunities from these crime convergences. For example, criminals involved in wildlife crime often see it as low risk, so they let their guard down. This can provide an entry point for law enforcement (eg undercover investigations). These same criminals are involved in other forms of serious organized crime, which law enforcement can also pursue.

Going after network on money laundering, or other converging crimes, can also offer stronger legal powers and sentences.

Some recommendations:

- 1) These crimes should not be seen as separate. Methodologies across other crime types should be used to pursue those involved in environmental crime and corruption to effectively address the issue.
- 2) Law enforcement methodologies such as special investigative techniques, financial investigations, intelligence analysis and conducting follow up investigations are key in bringing high level offenders to justice and significantly disrupt criminal supply chains.
- 3) Multi-stakeholder engagement is key, as is cross border collaboration. The sharing of information on seizures, including public reporting, is useful. We need much more information sharing between authorities.
- 4) Cross-sectoral engagement, including between law enforcement and NGOs, is also essential. Example from Malaysia: WJC worked with US authorities and Malaysia's anti-corruption commission to take on a syndicate involved in illegal wildlife trafficking, including corrupt public officials, in Malaysia. Led to high-profile arrests, including a senior customs official, and the seizure of assets.

**Question for Tim Steele:** Can you share examples of successful collaborative law enforcement efforts, including involving public-private partnerships, to dismantle transnational corruption networks underpinning environmental crimes?

**Tim:** Example from Indonesia: Palm oil industry is a big money business. Also a major driver of deforestation, with forest cut down to grow palm instead. The industry body came forward saying it wants to clean up its act. There is room and space for this to happen in other forest-risk commodities. A big problem is that private sector firms themselves often don't know if their produce was illegally sourced.

Another big problem: Often investigators of environmental crime are not corruption or anti money laundering investigators. But environmental crimes are often among the worst cases of AML and corruption. We need much more collaboration between these different units and areas of law enforcement.

We also need to see investigations built on other successes. Often seizures are the end of the process – we have the media report and everyone pats themselves on the back and that’s it. But this should actually be the start of deeper investigations into the financial operation involved.

**Lynn Schlingemann, Moderator:** Agreed with Lisa and Tim on the need for multi-stakeholder, joined-up approach. Noted that this is what the Nature Crime Alliance is building.

**Question for Ian Gary:** Why are financial investigations crucial to address environmental corruption?

**Ian:** Financial investigators are essential, otherwise law enforcement efforts might focus on the wrong people, including vulnerable people who are often forced into illegal situations. Often the perpetrators of these crimes are also the victims of them, such as slave labour documented in illegal gold mining in Brazil and Colombia. IUU fishing is also strongly linked to forced labour. So without properly investigating the financial aspects of these crimes, it will be hard to get at the people really orchestrating and profiting from them.

A forthcoming research analysis by FACT showed that of 200 environmental crime cases, only one in three involved a financial crime investigation. That’s a big problem. There are very few examples of investigations of environmental crime that include financial crime. Why?

One obstacle is the complexity of the cases. This makes investigating them very time-consuming. We also need accurate and complete beneficial ownership databases.

Another obstacle is fear – investigators are often stymied by corrupt officials or other powerful actors.

And finally there is just not enough information sharing. The process is too slow. The US Justice Department, for example, has a backlog of 13,000 information requests.

**Question for Kristina Amerhauser:** Why is it crucial to engage local communities to strengthen law enforcement and policy responses to corruption and environmental crimes?

**Kristina:** Example: ECO-SOLVE seeks to engage with local communities. We are holding dialogues around environmental crime and corruption to understand community perspectives, create engagement and impact on the local level. Corruption and violence are often cited as key issues.

It’s important to work with these local communities on the ground to show how different actors can contribute and make corruption everybody’s matter. We’re particularly trying to drive engagement between local communities and law enforcement. It’s about bringing both sides together and working towards the joint goal of reducing the impact and harms of environmental crimes on the ground.

Example Open AI Anti-corruption Platform in Thailand: open-data based community campaign is building trust and showing how lots of people in the community can participate in fighting corruption.

### **Round 3: Possible solutions, policy recommendations**

**Lynn Schlingemann (moderator):** Introduced the session by highlighting that collective action is needed to tackle corruption related to environmental crimes which are linked and converge with other serious organised crimes. A comprehensive approach involving law enforcement, AML/CFT government authorities, private sector, FIUs, and civil society is necessary.

Under the financial crime umbrella, the Nature Crime Alliance together with INTERPOL and United for Wildlife supports the UNODC Private Sector Dialogues on disruption of financial crimes linked to environmental crimes – bringing together over 60 global banks, national authorities from over 50 governments (mainly FIUs) and law enforcement on a regular basis as well as selected civil society. The Dialogues are global but since 2024 we have also launched them in target regions, starting with Southern Africa and Europe. There is a need to break the siloes and this need was also highlighted in the end of year dialogue evaluation questionnaire:

Some 80% of financial institutions did not interact with law enforcement and government authorities prior to the Dialogue

66% of financial institutions did not interact with NGOs prior to the Dialogue

So we can see the value of the Dialogues in driving this engagement.

**Question for Lisa Hartevelt:** From WJC’s experience, as well as your role as chair of the UNCAC Coalition WG on Environmental Crime and Corruption, what would be the priority areas to address at the multilateral level to tackle this issue?

**Lisa:** There is a gap between legal frameworks and law enforcement in practice. Both the UNCAC and UNTOC are important and should be used to tackle environmental crime and corruption, but we need to prioritise this at the multilateral level. Resolutions at the multilateral level can help support implementation at the national level. This includes technical and financial support for countries trying to implement these frameworks.

The [UNCAC Coalition’s environmental crime and corruption working group](#) identified some key recommendations:

- 1) We need to strengthen and effectively enforce AML and anti corruption laws across the environmental sector
- 2) We need to create a safe and enabling environment for CSOs to do their work
- 3) We need greater transparency and accountability in the granting and managing of contracts linked to environmental issues
- 4) We should promote good governance and anti corruption measures in this space, including in relation to climate financing
- 5) And we need to promote stronger coordination with other fora and mechanisms, such as highlighting the linkages between crime and corruption in climate and human rights fora.

**Question for Tim Steele:** What action can effectively be taken at the multilateral level to effectively tackle corruption facilitating environmental crime (converging with other crimes).

**Tim:** What bothers me the most is that, often, we know these crimes are happening but this does not result in investigations. There are challenges in identifying these crimes. The media will report on it, CSOs know about it, but it doesn't get investigated. This is a problem.

**Question for Ian Gary:** How can recent developments be leveraged at the national level to combat the nexus of transnational organised crime, including environmental crime and corruption?

**Ian:** The Foreign Extortion Prevention Act (FEPA) recently passed into law in the US, mainly due to the campaigning of FACT Coalition member Transparency International US. FEPA criminalises bribery by foreign officials and immediate family members in the case of U.S. companies and U.S. stock exchange-listed companies..

We also have the Corporate Transparency Act, with a beneficial ownership database. However, this is not publicly available. But what we really need to do is get the US government to let foreign authorities such as FIUs and law enforcement to have access to this information. This could unlock a lot of new investigations.

In the US, many nature crimes are not predicate offences for money laundering. We need to make these crimes predicate offences.

Real estate is also a massive issue. There is a problem around 'Mansions in Miami' and other money laundering in real estate. There are cases of environmental crime perpetrators owning real estate in the U.S. The U.S. Treasury's new proposed regulations on real estate money laundering, if implemented, will be a big step forward to tackle this problem.

And we need more intergovernmental cooperation. The US recently set up a "TIMBER" taskforce involving multiple US gov departments and agencies. Remember how the international community rapidly shared information about Russian oligarchs' assets following the full scale invasion of Ukraine? We need that kind of level of political commitment to information sharing. It is possible.

**Question for Kristina Amerhauser:** What are the opportunities for democratising the use of innovative tools and promote an open data culture to enhance law enforcement responses?

**Kristina:** We see significant potential with open data but it is important to keep in mind that it is not a 'silver bullet' and needs to be complemented with qualitative data. It is important to consider who will use open data, particularly as investigative journalists are under increased pressure, and there is not enough training on how to use data sets.

There are a number of challenges with open data. For example, given its quantitative nature, it often fails to take into account community values and nuances. It is also inherently challenging in states with low levels of transparency. But sometimes there is more data than we think as environmental commodities there are often legal and illegal forms of extraction and use.

We need to identify enablers in both informal and formal financial systems. Public-private partnerships can offer a big opportunity when it comes to open data.

**Lynn Schlingemann, (Moderator):** Thanked the Wildlife Justice Commission, the expert panelists and audience for this interesting workshop.



## **Main outcomes of the session (include quotes/highlights and interesting questions from the floor)**

The session highlighted how corruption is fundamental to environmental crime, and that environmental crimes need to be taken much more seriously by policy makers, law enforcement and financial investigators, especially given their convergences with other crime types that fuel human rights violations, security challenges, instability, and impact the environment and climate.

Weak rules are enabling corruption to take place, such as the example of gold smuggling and money laundering into real estate in the US, while a lack of knowledge among different areas of law enforcement often leads to opportunities to identify and disrupt environmental crime and corruption being missed.

Access to data is also a major challenge for law enforcement, but data itself offers a major opportunity to support efforts to detect and disrupt these activities. Community engagement is also an important strategy for building a wider response to these crimes.

A key theme to emerge from the discussion was the need for greater collaboration, in several contexts. The panel highlighted the value of information sharing between countries, the need for more coordination between law enforcement units and government departments, and greater collaboration across sectors, including multi-stakeholder networks. Other tools outlined UNCAC provisions, such as joint investigations, special investigative techniques, and financial investigations, are also key in preventing and tackling corruption fueling environmental crime.

Furthermore, the session demonstrated that when these elements come together, they work. A participant from the floor asked if there are examples of these crimes diminishing following a shift from low to high risk. **Lisa** noted that Nigeria's customs service implemented new special investigative techniques, which resulted in robust law enforcement responses and Nigeria moving from a major transit country for pangolin scales to having no major seizures at any sea port at all since January 2022. The downside is that there may be displacement of these crimes to other countries, which underlines the need for an internationally harmonized approach. **Ian** gave the example of conflict diamonds as a success. Several factors contributed: motivated private sector actors, a perception-sensitive commodity, and coordinated multi-sector action. **Tim** highlighted how the Kenyan wildlife service led a campaign on integrity among officials. In 2022, there were zero rhinos killed in Kenya – a big success. And **Kristina** noted how in selected cases media investigations have exposed high level elites enabling environmental crime and increased scrutiny.

## **Key recommendations for the future and concrete follow-up actions**

- 1) Law enforcement and financial crime investigators need to work more closely together, or be trained to be able to identify signs of corruption and environmental crime in their work, as relevant
- 2) Law enforcement should recognize environmental crime as a valuable point of entry into investigating organized crime networks involved in other crimes
- 3) We need to see environmental crimes classed as predicate crimes for money laundering offences
- 4) There needs to be considerably more collaboration and information sharing between countries (FIUs and law enforcement), including beneficial ownership data. There also needs to be more collaboration across the board, especially between law enforcement, local communities, and CSOs.

- 5) We need to strengthen anti-money laundering and anti-corruption laws across the environmental sector, and to create a safe environment for CSOs to do their work
- 6) We need greater transparency in the granting of contracts linked to environmental issues
- 7) We should promote good governance and anti-corruption measures in this space, and ensure local community perspectives help shape these measures
- 8) There needs to be stronger coordination with other international fora and mechanisms, including bringing environmental crime and corruption issues into climate and human rights fora.
- 9) There is a need for more and better data on environmental crime that is comparable, accessible and shareable across organisations.

**What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?**

Multi-stakeholder alliances and coalitions (such as the Nature Crime Alliance, hosted by World Resources Institute and UNODC) can foster the collaboration that is needed by bringing together governments, law enforcement, CSOs and local communities to create channels of dialogue between them. Civil society coalitions (eg the UNCAC Coalition and FACT Coalition) also offer valuable collaboration opportunities to advocate more strongly for change at multilateral level, which can help with implementation on national levels. Funders need to recognize the financial dimensions of environmental crimes and support actions to close off opportunities to move money from environmental crimes around the world. And initiatives that provide more access to data – like ECO-SOLVE, implemented by the GI-TOC – can move the dial on the global response to environmental crime and the corruption that drives it.

-END-

---

**Rapporteur's name**

Luke Foddy  
Communications Manager  
Nature Crime Alliance

**Date submitted**

20 June 2024

**Action! This report needs to be emailed to [iacc-av@transparency.org](mailto:iacc-av@transparency.org) within 24 hours of the session. If you wish to update the report, please do so by 21 July. Thank you.**